

Consumers Illinois Water Company-Kankakee Division
Statement of Operating Income with Adjustments
For the Test Year Ended December 31, 2001
In Dollars

Line No	Description (A)	Company Pro Forma Present (Sch. C-1/WP-C1) (B)	Staff Adjustments (Sch 8.02 K, p.2) (C)	Staff Pro Forma Present (Cols. B+C) (D)	Company Proposed Increase (Co. Sch C-1) (E)	Staff Gross Revenue Conversion Factor (Sch 8.07 K, p.2) (F)	Proposed Rates with Staff Adjustments (Cols. D+E+F) (G)	Adjustment To Proposed Increase (H)	Staff Pro Forma Proposed (Cols. G+H) (I)	Revenue Change (Col I-D) (J)	% Revenue Change (3) (K)
1	Operating Revenues	\$ 8,505,247	\$ (85,323)	\$ 8,419,924	\$ 1,625,808	\$ 1	\$ 10,045,733	\$ (246,906)	\$ 9,798,827		
2		-	-	-	-	-	-	-	-		
3	Total Operating Revenue	8,505,247	(85,323)	8,419,924	1,625,808	1	10,045,733	(246,906)	9,798,827	\$ 1,378,903	16.38%
4											
5	Uncollectible Accounts	66,439	(667)	65,772	12,700	1	78,473	(1,928)	76,545		
6	Salaries and Wages	1,537,239	34,545	1,571,784	-	-	1,571,784	-	1,571,784		
7	Employee Pension & Benefits	405,332	(4,513)	400,819	-	-	400,819	-	400,819		
8	Purchased Power & Fuel for Power Prod.	387,366	-	387,366	-	-	387,366	-	387,366		
9	Chemicals	287,252	-	287,252	-	-	287,252	-	287,252		
10	Materials & Supplies	148,910	-	148,910	-	-	148,910	-	148,910		
11	Contractual Services	1,571,451	(262,148)	1,309,303	-	-	1,309,303	-	1,309,303		
12	Lease Expense	28,422	-	28,422	-	-	28,422	-	28,422		
13	Transportation Expense	86,179	-	86,179	-	-	86,179	-	86,179		
14	Insurance Expense	122,433	(4,763)	117,670	-	-	117,670	-	117,670		
15	Regulatory Commission Exp. Amort.	152,333	(89,235)	63,098	-	-	63,098	-	63,098		
16	Depreciation Expense	1,145,723	190,589	1,336,312	-	-	1,336,312	-	1,336,312		
17	Amortization Expense	45,007	-	45,007	-	-	45,007	-	45,007		
18	Taxes Other than Income	549,041	(87,783)	461,258	-	-	461,258	-	461,258		
19	Miscellaneous Expense	59,708	(12,389)	47,319	-	-	47,319	-	47,319		
20	Total Operating Expense										
21	Before Income Taxes	6,592,835	(236,364)	6,356,471	12,700	1	6,369,172	(1,928)	6,367,244		
22											
23	State Income Tax	59,143	9,929	69,072	115,821	-	184,893	(17,589)	167,304		
24	Federal Income Tax	267,604	44,920	312,524	524,050	-	836,574	(79,586)	756,988		
25	Deferred Taxes and ITCs Net	(21,282)	-	(21,282)	-	-	(21,282)	-	(21,282)		
26	Total Operating Expenses	6,898,300	(181,515)	6,716,785	652,571	1	7,369,357	(99,103)	7,270,254		
27											
28	NET OPERATING INCOME	\$ 1,606,947	\$ 96,192	\$ 1,703,139	\$ 973,237	\$ -	\$ 2,676,376	\$ (147,803)	\$ 2,528,573		
29											
30	Staff Rate Base								\$ 27,189,831	(1)	
31											
32	Staff Overall Rate of Return									9.30%	(2)

(1) Source: ICC Staff Exhibit 8.00, Schedule 8.03 K, Page 1, Column (D).

(2) Source: ICC Staff Exhibit 14.00, Schedule 14.01

(3) Source: Column (J), Line 3, divided by Column (D), Line 3.

Consumers Illinois Water Company-Kankakee Division
Adjustments to Operating Income
For the Test Year Ended December 31, 2001
In Dollars

Line No	Description	Interest Synchron-ization (ICC St. Ex 8.00 Sched 8.06 K)	Correction to Depreciation Expense (ICC St. Ex 8.00 Sched 8.09 K)	Kankakee Add-On Tax (ICC St. Ex 1.00 Sched 1.12 K)	Misc. Revenues (ICC St. Ex 4.00 Sched 4.01)	Insurance Expense (ICC St. Ex 3.00 Sched 3.02)	Allocation Change (ICC St. Ex 10.00 Sched 10.01)	Service Co. Billings (ICC St. Ex 10.00 Sched 10.02)	Incentive Compensation (ICC St. Ex 2.00 Sch. 2.01 K)	Lobbying Expense (ICC St. Ex 2.00 Sch. 2.02 K)	Subtotal (K)
	(A)	(B)	(C)	(D)	(E)	(F)	(G)	(H)	(I)	(J)	(K)
1	Operating Revenues	\$ -	\$ -	\$ -	\$ (85,323)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (85,323)
2		-	-	-	-	-	-	-	-	-	-
3	Total Operating Revenue	-	-	-	(85,323)	-	-	-	-	-	(85,323)
4											
5	Uncollectible Accounts	-	-	-	(667)	-	-	-	-	-	(667)
6	Salaries and Wages	-	-	-	-	-	-	-	-	-	-
7	Employee Pension & Benefits	-	-	-	-	-	-	-	(4,513)	-	(4,513)
8	Purchased Power & Fuel for Power Prod.	-	-	-	-	-	-	-	-	-	-
9	Chemicals	-	-	-	-	-	-	-	-	-	-
10	Materials & Supplies	-	-	-	-	-	-	-	-	-	-
11	Contractual Services	-	(143,868)	-	-	-	-	(107,922)	-	(10,358)	(262,148)
12	Lease Expense	-	-	-	-	-	-	-	-	-	-
13	Transportation Expense	-	-	-	-	-	-	-	-	-	-
14	Insurance Expense	-	-	-	-	(4,763)	-	-	-	-	(4,763)
15	Regulatory Commission Exp. Amort.	-	-	-	-	-	-	-	-	-	-
16	Depreciation Expense	-	162,140	-	-	-	(4,756)	-	-	-	157,384
17	Amortization Expense	-	-	-	-	-	-	-	-	-	-
18	Taxes Other than Income	-	-	(87,783)	-	-	-	-	-	-	(87,783)
19	Miscellaneous Expense	-	-	-	-	-	-	-	-	-	-
20	Total Operating Expense	-	-	-	-	-	-	-	-	-	-
21	Before Income Taxes	-	18,272	(87,783)	(667)	(4,763)	(4,756)	(107,922)	(4,513)	(10,358)	(202,490)
22											
23	State Income Tax	(917)	(1,312)	6,303	(6,078)	342	341	7,749	324	744	7,496
24	Federal Income Tax	(4,149)	(5,936)	28,518	(27,502)	1,547	1,545	35,061	1,466	3,365	33,915
25	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-	-
26	Total Operating Expenses	(5,066)	11,024	(52,962)	(34,247)	(2,874)	(2,870)	(65,112)	(2,723)	(6,249)	(161,079)
27											
28	NET OPERATING INCOME	\$ 5,066	\$ (11,024)	\$ 52,962	\$ (51,076)	\$ 2,874	\$ 2,870	\$ 65,112	\$ 2,723	\$ 6,249	\$ 75,756

Consumers Illinois Water Company-Kankakee Division
Adjustments to Operating Income
For the Test Year Ended December 31, 2001
In Dollars

Line No	Description (A)	Subtotal (L)	Regulatory Commission Exp. (ICC St. Ex 2.00 Sch. 2.03 K) (M)	Social & Service Club Dues (ICC St. Ex 2.00 Sch. 2.04 K) (N)	Selling, Adv. & Misc Sales Exp. (ICC St. Ex 2.00 Sch. 2.05 K) (O)	Company Plant Update (ICC St. Ex 8.00 Sch. 8.11 K) (P)	Omitted Employee (ICC St. Ex 9.00 Sch. 9.01 K) (Q)	(Source) (R)	(Source) (S)	(Source) (T)	Total (U)
1	Operating Revenues	\$ (85,323)	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ -	\$ (85,323)
2		-	-	-	-	-	-	-	-	-	-
3	Total Operating Revenue	(85,323)	-	-	-	-	-	-	-	-	(85,323)
4											
5	Uncollectible Accounts	(667)	-	-	-	-	-	-	-	-	(667)
6	Salaries and Wages	-	-	-	-	-	34,545	-	-	-	34,545
7	Employee Pension & Benefits	(4,513)	-	-	-	-	-	-	-	-	(4,513)
8	Purchased Power & Fuel for Power Prod.	-	-	-	-	-	-	-	-	-	-
9	Chemicals	-	-	-	-	-	-	-	-	-	-
10	Materials & Supplies	-	-	-	-	-	-	-	-	-	-
11	Contractual Services	(262,148)	-	-	-	-	-	-	-	-	(262,148)
12	Lease Expense	-	-	-	-	-	-	-	-	-	-
13	Transportation Expense	-	-	-	-	-	-	-	-	-	-
14	Insurance Expense	(4,763)	-	-	-	-	-	-	-	-	(4,763)
15	Regulatory Commission Exp. Amort.	-	(89,235)	-	-	-	-	-	-	-	(89,235)
16	Depreciation Expense	157,384	-	-	-	33,205	-	-	-	-	190,589
17	Amortization Expense	-	-	-	-	-	-	-	-	-	-
18	Taxes Other than Income	(87,783)	-	-	-	-	-	-	-	-	(87,783)
19	Miscellaneous Expense	-	-	(3,045)	(9,344)	-	-	-	-	-	(12,389)
20	Total Operating Expense										
21	Before Income Taxes	(202,490)	(89,235)	(3,045)	(9,344)	33,205	34,545	-	-	-	(236,364)
22											
23	State Income Tax	7,496	6,407	219	671	(2,384)	(2,480)	-	-	-	9,929
24	Federal Income Tax	33,915	28,990	989	3,036	(10,787)	(11,223)	-	-	-	44,920
25	Deferred Taxes and ITCs Net	-	-	-	-	-	-	-	-	-	-
26	Total Operating Expenses	(161,079)	(53,838)	(1,837)	(5,637)	20,034	20,842	-	-	-	(181,515)
27											
28	NET OPERATING INCOME	\$ 75,756	\$ 53,838	\$ 1,837	\$ 5,637	\$ (20,034)	\$ (20,842)	\$ -	\$ -	\$ -	\$ 96,192

Consumers Illinois Water Company-Kankakee Division
Rate Base
For the Test Year Ended December 31, 2001
In Dollars

Line No	Description (A)	Company Pro Forma (CIWC Sch. B-1) (B)	Staff Adjustments (ICC St. Ex 8.00 Sch 8.04 K) (C)	Staff Pro Forma (Col B+C) (D)
1	Gross Utility Plant in Service	\$ 48,244,581	\$ 560,647	\$ 48,805,228
2	(Less) Accum. Depr. and Amort.	<u>(12,602,173)</u>	<u>(26,737)</u>	<u>(12,628,910)</u>
3	Net Plant	35,642,408	533,910	36,176,318
4				
5	Additions to Rate Base:			
6	Property Held For Future Use	172,212	-	172,212
7	Deferred Charges	276,012	-	276,012
8	Materials and Supplies	241,286	(20,107)	221,179
9	Cash Working Capital	639,459	(42,132)	597,327
10	Amort. of Contributions in Aid of Constr.	1,507,217	-	1,507,217
11		-	-	-
12		-	-	-
13		-	-	-
14		-	-	-
15		-	-	-
16				
17	Deductions from Rate Base:			
18	FAS 87 Pension	(138,472)	-	(138,472)
19	Customer Advances	(516,931)	-	(516,931)
20	Contributions in Aid of Construction	(8,550,060)	-	(8,550,060)
21	Deferred Income Taxes	(2,829,906)	274,935	(2,554,971)
22		-	-	-
23		-	-	-
24		-	-	-
25		<u>-</u>	<u>-</u>	<u>-</u>
26				
27	Rate Base	\$ 26,443,225	\$ 746,606	\$ 27,189,831

Consumers Illinois Water Company-Kankakee Division
Adjustments to Rate Base
For the Test Year Ended December 31, 2001
In Dollars

Line No	Description (A)	Working Capital (ICC St. Ex 8.00 Sch. 8.08 K) (B)	ADIT (ICC St. Ex 8.00 Sch. 8.10 K) (C)	Materials & Supplies (ICC St. Ex 1.00 Sch. 1.11 K) (D)	Allocation Change (ICC St. Ex 10.00 Sch. 10.01) (E)	Incentive Compensation (ICC St. Ex 2.00 Sch. 2.01 K) (F)	Company Plant Update (ICC St. Ex 8.00 Sch. 8.11 K) (G)	Omitted Employee (ICC St. Ex 9.00 Sch. 9.01 K) (H)	(Source) (I)	(Source) (J)	Total (K)
1	Gross Utility Plant in Service	\$ -	\$ -	\$ -	\$ (57,004)	\$ (469)	\$ 614,527	\$ 3,593	\$ -	\$ -	\$ 560,647
2	(Less) Accum. Depr. and Amort.	-	-	-	6,468	-	(33,205)	-	-	-	(26,737)
3	Net Plant	-	-	-	(50,536)	(469)	581,322	3,593	-	-	533,910
4											
5	Additions to Rate Base:										
6	Property Held For Future Use	-	-	-	-	-	-	-	-	-	-
7	Deferred Charges	-	-	-	-	-	-	-	-	-	-
8	Materials and Supplies	-	-	(20,107)	-	-	-	-	-	-	(20,107)
9	Cash Working Capital	(42,132)	-	-	-	-	-	-	-	-	(42,132)
10	Amort. of Contributions in Aid of Constr.	-	-	-	-	-	-	-	-	-	-
11	-	-	-	-	-	-	-	-	-	-	-
12	-	-	-	-	-	-	-	-	-	-	-
13	-	-	-	-	-	-	-	-	-	-	-
14	-	-	-	-	-	-	-	-	-	-	-
15	-	-	-	-	-	-	-	-	-	-	-
16	-	-	-	-	-	-	-	-	-	-	-
17	Deductions from Rate Base:										
18	FAS 87 Pension	-	-	-	-	-	-	-	-	-	-
19	Customer Advances	-	-	-	-	-	-	-	-	-	-
20	Contributions in Aid of Construction	-	-	-	-	-	-	-	-	-	-
21	Deferred Income Taxes	-	274,935	-	-	-	-	-	-	-	274,935
22	-	-	-	-	-	-	-	-	-	-	-
23	-	-	-	-	-	-	-	-	-	-	-
24	-	-	-	-	-	-	-	-	-	-	-
25	-	-	-	-	-	-	-	-	-	-	-
26											
27	Rate Base	\$ (42,132)	\$ 274,935	\$ (20,107)	\$ (50,536)	\$ (469)	\$ 581,322	\$ 3,593	\$ -	\$ -	\$ 746,606

Consumers Illinois Water Company-Kankakee Division
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
In Dollars

Docket Nos. 00-0337/00-0338/
00-0339 Consolidated
ICC Staff Exhibit 8.00
Schedule 8.05 K
Page 1 of 3

Line No	Description (A)	Effect at Company ROR (B)	Effect Of Staff ROR (C)	Effect of Interest Synch. (D)	Rounding (E)	TOTAL REVENUE EFFECT (F)
1	Company Proposed Increase					\$ 1,625,808 (1)
2	Staff Rate of Return applied to COMPANY RATE BASE	9.30% (2)	(202,205)			(202,205)
3	Return on Equity	10.15% (2)				
4	Staff Adjustments - Total RATE BASE (from Page 2 of 3)	121,697	(5,709)	(20,085)	(1)	95,902
5						
6	Staff Adjustments - Total INCOME STATEMENT (from page 3 of 3)					(140,605)
7						
8	Revenue Conversion Factor Adjustment					1
9						
10	Rounding					<u>2</u>
11						
12	Total Effect of Staff Proposals					<u>(246,905)</u>
13						
14						
15	Staff Proposed Change to Revenues					\$ <u>1,378,903</u> (3)
16						
17						
18	Rounding (Memo Only)		<u>-</u>	(Memo Only)		
19						
20	Staff Rate of Return applied to STAFF RATE BASE (Memo Only)		\$ <u>(207,914)</u>	(Memo Only)		

(1) Source: Company Schedule C-1, Line 1, Column (F)

(2) Source: ICC Staff Exhibit 14.00, Schedule 14.01

(3) Source: ICC Staff Exhibit 8.00, Schedule 8.01 K, Column (J).

Consumers Illinois Water Company-Kankakee Division
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
In Dollars

Docket Nos. 00-0337/00-0338/
00-0339 Consolidated
ICC Staff Exhibit 8.00
Schedule 8.05 K
Page 2 of 3

Line No	Description (A)	Exhibit (B)	Effect at Company ROR (1) (C)	Effect Of Staff ROR (2) (D)	Effect of Interest Synch. (3) (E)	Rounding (F)	TOTAL REVENUE EFFECT (4) (G)	Line No
1	Staff Adjustments - RATE BASE							1
2	Working Capital	ICC Staff Exhibit 8.00, Sch 8.08 K	\$ (6,868)	\$ 322	\$ 1,133	\$ 1	\$ (5,412)	2
3	ADIT	ICC Staff Exhibit 8.00, Sch 8.10 K	44,814	(2,102)	(7,396)	-	35,316	3
4	Materials & Supplies	ICC Staff Exhibit 1.00, Sch 1.11 K	(3,277)	154	541	(1)	(2,583)	4
5	Allocation Change	ICC Staff Exhibit 10.00, Sch 10.01	(8,237)	386	1,360	-	(6,491)	5
6	Incentive Compensation	ICC Staff Exhibit 2.00, Sch 2.01 K	(76)	4	13	(1)	(60)	6
7	Company Plant Update	ICC Staff Exhibit 8.00, Sch 8.11 K	94,755	(4,445)	(15,639)	-	74,671	7
8	Omitted Employee	ICC Staff Exhibit 9.00, Sch 9.01 K	586	(27)	(97)	-	462	8
9			-	-	-	-	-	9
10			-	-	-	-	-	10
11			-	-	-	-	-	11
12			-	-	-	-	-	12
13			-	-	-	-	-	13
14			-	-	-	-	-	14
15			-	-	-	-	-	15
16			-	-	-	-	-	16
17			-	-	-	-	-	17
18			-	-	-	-	-	18
19			-	-	-	-	-	19
20			-	-	-	-	-	20
21			-	-	-	-	-	21
22			-	-	-	-	-	22
23			-	-	-	-	-	23
24			-	-	-	-	-	24
25			-	-	-	-	-	25
26			-	-	-	-	-	26
27								27
28	Subtotal		121,697	(5,708)	(20,085)	(1)	95,903	28
29	Rounding		-	(1)	-	-	(1)	29
30	Total Revenue Effect of Rate Base Adjustments		<u>\$ 121,697</u>	<u>\$ (5,709)</u>	<u>\$ (20,085)</u>	<u>\$ (1)</u>	<u>\$ 95,902</u>	30

(1) Source: Adjustment x Co. ROR x Staff GRCF.

(2) Source: Adjustment x (Staff ROR - Co. ROR) x Staff GRCF.

(3) Source: Adjustment x (Staff Before Tax ROR - Staff After Tax ROR) x Staff GRCF.

(4) Source: Adjustment x Staff After Tax ROR x Staff GRCF.

Consumers Illinois Water Company-Kankakee Division
Revenue Effect of Adjustments
For the Test Year Ended December 31, 2001
In Dollars

Docket Nos. 00-0337/00-0338/
00-0339 Consolidated
ICC Staff Exhibit 8.00
Schedule 8.05 K
Page 3 of 3

Line No	Description (A)	Exhibit (B)	TOTAL REVENUE EFFECT (1) (C)	Remove Rate Base Portion (2) (D)	Operating Statement Portion (C+D) (E)	Line No
1	Staff Adjustments - Operating Statement					1
2	Interest Synchronization	ICC Staff Exhibit 8.00, Sch 8.06 K	\$ (8,463)	\$ 20,085	\$ 11,622	2
3	Correct Depreciation Expense	ICC Staff Exhibit 8.00, Sch 8.09 K	18,416	-	18,416	3
4	Kankakee Add-On Tax	ICC Staff Exhibit 1.00, Sch 1.12 K	(88,474)	-	(88,474)	4
5	Misc. Revenues	ICC Staff Exhibit 4.00, Sch 4.01	85,323	-	85,323	5
6	Insurance Expense	ICC Staff Exhibit 3.00, Sch 3.02	(4,801)	-	(4,801)	6
7	Allocation Change	ICC Staff Exhibit 10.00, Sch 10.01	(4,794)	-	(4,794)	7
8	Service Co. Billings	ICC Staff Exhibit 10.00, Sch 10.02	(108,771)	-	(108,771)	8
9	Incentive Compensation	ICC Staff Exhibit 2.00, Sch 2.01 K	(4,549)	-	(4,549)	9
10	Lobbying Expense	ICC Staff Exhibit 2.00, Sch 2.02 K	(10,439)	-	(10,439)	10
11	Regulatory Commission Exp.	ICC Staff Exhibit 2.00, Sch 2.03 K	(89,937)	-	(89,937)	11
12	Social & Service Club Dues	ICC Staff Exhibit 2.00, Sch 2.04 K	(3,069)	-	(3,069)	12
13	Selling, Adv., & Misc. Sales Exp.	ICC Staff Exhibit 2.00, Sch 2.05 K	(9,417)	-	(9,417)	13
14	Company Plant Update	ICC Staff Exhibit 8.00, Sch 8.11 K	33,467	-	33,467	14
15	Omitted Employee	ICC Staff Exhibit 9.00, Sch 9.01 K	34,817	-	34,817	15
16			-	-	-	16
17			-	-	-	17
18			-	-	-	18
19			-	-	-	19
20			-	-	-	20
21			-	-	-	21
22			-	-	-	22
23			-	-	-	23
24			-	-	-	24
25			-	-	-	25
26			-	-	-	26
27						27
28	Column Subtotal		<u>\$ (160,691)</u>	<u>\$ 20,085</u>	(140,606)	28
29						29
30	Rounding				<u>1</u>	30
31						31
32	Total Revenue Effect of Operating Statement Adjustments				<u>\$ (140,605)</u>	32

(1) Source: Adjustment x Staff GRCF.

(2) Source: Schedule 8.05 K, Page 2 of 3, Column (E), Line 30.

Consumers Illinois Water Company-Kankakee Division
Interest Synchronization Adjustment
For the Test Year Ended December 31, 2001
In Dollars

Line No	Description (A)	Amount (B)	
1	Staff Rate Base	\$ 27,189,831	(1)
2	Weighted Cost of Debt	4.0597%	(2)
3	Synchronized Interest per Staff	1,103,826	
4	Company Interest Expense	<u>1,091,054</u>	(3)
5	Increase (Decrease) in Interest Expense (Line 3 - Line 4)	<u>\$ 12,772</u>	
6	Increase (Decrease) in State Income Tax Expense (Line 5 * 7.18%)	<u>\$ (917)</u>	
7	Increase (Decrease) in Federal Income Tax Expense ((Line 5 - Line 6) * 35%)	<u>\$ (4,149)</u>	

(1) Source: ICC Staff Exhibit 8.00, Schedule 8.03 K, Column (D).

(2) Source: ICC Staff Exhibit 14.00, Schedule 14.01

(3) Source: Company Schedule C-5.4

Consumers Illinois Water Company-Kankakee Division
Gross Revenue Conversion Factor
For the Test Year Ended December 31, 2001

Line No	Description (A)	Rate (B)	Per Company (C)	Per Staff With Bad Debts (D)	Per Staff Without Bad Debts (E)
1	Revenues			1.000000	
2	Uncollectibles	0.7812%		0.007812	
3	State Taxable Income			0.992188	1.000000
4	State Income Tax	7.18%		0.071239	0.071800
5	Federal Taxable Income			0.920949	0.928200
6	Federal Income Tax	35.00%		0.322332	0.324870
7	Operating Income			0.598617	0.603330
8	Gross Revenue Conversion Factor Per Staff			1.670517	1.657468
9	Company Proposed Revenue Increase		\$ 1,625,808		
10	Company Proposed Operating Income Increase		\$ 973,237		
11	Gross Revenue Conversion Factor Per Company		1.670516		

Consumers Illinois Water Company-Kankakee Division
Gross Revenue Conversion Factor
For the Test Year Ended December 31, 2001

Line No.	(A)	Company Proposed Increase (1) (B)	Staff GRCF (2) (C)	Gross Revenue Per Staff (3) (D)	Staff Uncollectible Conversion Factor (4) (E)	Staff State Tax Conversion Factor (5) (F)	Staff Federal Tax Conversion Factor (6) (G)	Amount Per Staff GRCF (D*E*F*G) (H)	Company Proposed Increase (7) (I)	Adjustment (J)
1	Tariffed Revenue Conversion	\$ 973,237	1.670517	\$ 1,625,809				\$ 1,625,809	\$ 1,625,808	\$1
2	Uncollectible Conversion			1,625,809	0.7812%			12,701	12,700	1
3	State Tax Conversion			1,625,809		7.18%		115,821	115,821	0
4	Federal Tax Conversion			1,625,809			35.00%	524,050	524,050	0

- (1) Source: ICC Staff Exhibit 8.00, Schedule 8.01 K, page 1, Line 28, Column (E)
(2) Source: ICC Staff Exhibit 8.00, Schedule 8.07 K, page 1, Line 8, Column (D)
(3) Source: Line 1, Column (B) x Line 1 Column (C)
(4) Source: ICC Staff Exhibit 8.00, Schedule 8.07 K, page 1, Line 2, Column (B)
(5) Source: ICC Staff Exhibit 8.00, Schedule 8.07 K, page 1, Line 4, Column (B)
(6) Source: ICC Staff Exhibit 8.00, Schedule 8.07 K, page 1, Line 6, Column (B)
(7) Source: ICC Staff Exhibit 8.00, Schedule 8.01 K, page 1, Column (E)

Consumers Illinois Water Company-Kankakee Division
Working Capital Adjustment
For the Test Year Ended December 31, 2001

Line			Staff	
<u>No</u>	<u>Description</u>	<u>Amount</u>	<u>Adjustment</u>	<u>Source</u>
	(A)	(B)	(C)	(D)
1	Total Operating Expenses (Pre Income Tax)	\$ 6,367,244		(1)
2	Less:			
3	Uncollectible Accounts Expense	76,545		(2)
4	Annual Amortization of Rate Case Expense	63,098		(3)
5	Depreciation Expense	1,336,312		(4)
6	Real Estate Tax Expense	<u>112,669</u>		(5)
7	Operating Expenses Requiring Working Capital	\$ 4,778,620		Line 1 minus the sum of Lines 3 through 6
8	45(lag days)/360 (30 day month year)	<u>12.50%</u>		
9	Total Cash Working Capital Per Staff		\$ 597,328	Line 7 multiplied by Line 8
10	Total Cash Working Capital Per Company		<u>639,459</u>	(6)
11	Adjustment to Cash Working Capital		<u>\$ (42,132)</u>	Line 9 minus Line 10

(1) Source: Schedule 8.01 K, Column (I), Line 21

(2) Source: Schedule 8.01 K, Column (I), Line 5

(3) Source: Schedule 8.01 K, Column (I), Line 15

(4) Source: Schedule 8.01 K, Column (I), Line 16

(5) Source: Company Schedule B-2.3, Line 6

(6) Source: Company Schedule B-1, Column (E), Line 11

Consumers Illinois Water Company-Kankakee Division
Correction to Depreciation Expense Adjustment
For the Test Year Ended December 31, 2001

Line No.	Adjustment (A)	Amount (B)	Source (C)
1	Depreciation Expense Allowed in Contractual Services per Staff	\$0	
2	Depreciation Expense Allowed in Contractual Services per Company	<u>143,868</u>	Company response to Staff data request Field 5
3			
4	Staff Proposed Adjustment to Contractual Services	<u>(\$143,868)</u>	
5			
6	Gross Depreciation Expense per Staff	\$1,469,459	ICC Staff Exhibit 13.00, Schedule 13.01, Page 3 of 3
7	Less: Contributions in Aid of Construction	<u>(\$161,596)</u>	ICC Staff Exhibit 1.00, Schedule 1.09 K, Page 2 of 2, Col. (E), Line 39
8	Net Depreciation Expense per Staff	\$1,307,863	Line 6 + Line 7
9	Depreciation Expense per Company	<u>1,145,723</u>	CIWC Schedule C-1, Line 4
10			
11	Staff Proposed Adjustment to Depreciation Expense	<u>\$162,140</u>	Line 8 - Line 9

Consumers Illinois Water Company-Kankakee Division
Accumulated Deferred Income Taxes Adjustment
For the Test Year Ended December 31, 2001

<u>Line</u>	<u>Description</u> <u>(A)</u>	<u>Amount</u> <u>(B)</u>			
1	ADIT Per Staff	(2,554,971)	Schedule 8.10 K, Page 3 of 3, Line 36		
2					
3	ADIT Per Company	(2,829,906)	Company Schedule B-1, Column (E), Line 18		
4					
5	Staff Proposed Adjustment	\$274,935			
6					
7	Proof of Adjustment:	12/31/00 Amount	12/31/01 Amount	Average Amount	
8		<u>(B)</u>	<u>(C)</u>	<u>(D)</u>	
9	Per Company	(\$2,745,662)	(\$2,861,001)	(\$2,803,332)	Schedule B-9, Page 4 of 4, Columns (H) & (J)
10	Correction	0	(26,574)	(\$13,287)	Schedule 8.10 K, Page 2 of 3, Line 2
11	Candlewick Sewer	224,426	233,398	\$228,912	Schedule 8.10 K, Page 2 of 3, Line 4
12	Company Plant Update	3,420	3,420	\$3,420	Schedule 8.10 K, Page 2 of 3, Line 3
13	Proration	0	58,631	29,316	Schedule 8.10 K, Page 3 of 3, Column (L), Line 2
14	Per Staff	(\$2,517,816)	(\$2,592,126)	(\$2,554,971)	

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ICC Staff Exhibit 8.00

Schedule 8.10 K

Page 2 of 3

Consumers Illinois Water Company-Kankakee Division
Accumulated Deferred Income Taxes Adjustment
For the Test Year Ended December 31, 2001

<u>Line</u>	Description (A)	12/31/00 Amount (B)	12/31/01 Amount (C)	Calculated Average Amount (D)	Source (E)
1	ADIT Balance Per Company	(\$2,745,662)	(\$2,861,001)	(\$2,803,332)	Schedule B-9, Page 4 of 4, Columns (H) & (J)
2	Staff Corrected Adjustment for New Depreciation Rates	0	(26,574)	(13,287)	Schedule B-2.4, Column (D), Line 26
3	Company Plant Update Adjustment	3,420	3,420	3,420	Schedule 8.11 K, Column (B), Line 14
4	Candlewick Sewer ADIT	<u>224,426</u>	<u>233,398</u>	<u>228,912</u>	ICC Staff Exhibit 10.00, Schedule 10.03
5					
6	Adjusted ADIT Balance Per Staff	(\$2,517,816)	(\$2,650,757)	(\$2,584,287)	To Schedule 8.10 K, Page 3 of 3, Column (B), Lines 14 & 15

Consumers Illinois Water Company-Kankakee Division
Company Plant Update Adjustment
For the Test Year Ended December 31, 2001

Line No.	Adjustment	Plant in Service Amount (1) (B)	Depreciation Reserve Amount (1) (C)	Accum. Deferred Income Taxes Amount (1) (D)	Depreciation Expense Amount (1) (E)
	(A)				
1	Updated Projects:				
2	Filter Backwash Waste	(\$485,841)	\$13,506	\$2,351	(\$13,506)
3	Line to Quarry	147,667	(4,105)	(715)	4,105
4	Chemical Storage Improvements	668,832	(23,877)	(1,141)	23,877
5	Filter Improvements	736,240	(26,284)	(1,256)	26,284
6	Bourbonnais Elevated Storage	(452,371)	7,555	4,181	(7,555)
7					
8	Total per Staff	\$614,527	(\$33,205)	\$3,420	\$33,205
9	Total per Company	<u>0</u>	<u>0</u>	<u>0</u>	<u>0</u>
10					
11	Staff Proposed Adjustment	\$ 614,527	\$ (33,205)	\$ 3,420	\$ 33,205

(1) Source: Company response to Staff data request DLH-116-120

To Schedule 8.10 K,
Page 2 of 3, Line 3